



Department of Justice

FOR IMMEDIATE RELEASE
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**OWNER OF TEXARKANA, TEXAS BOX COMPANY CHARGED WITH
PROCUREMENT AND MAIL FRAUD**

WASHINGTON, D.C. -- A Texarkana, Texas box company owner was charged today by the Department of Justice with procurement and mail fraud for participating in a conspiracy that enabled the company to receive subcontracts to produce boxes and supplies at an Army ammunition plant in exchange for paying kickbacks to the contractor.

This is the seventh set of charges to arise out of the Department's ongoing antitrust investigation into procurement practices at the Milan Army Ammunition Plant.

Ward L. Torrans, one of the owners of Commercial Box and Lumber Company Inc. of Texarkana, Texas, was charged in a criminal case filed today in U.S. District Court in Jackson, Tennessee with participating in a conspiracy to defraud the federal government and mail fraud with respect to the sale of packing containers and supplies used to transport ammunition produced at the Milan Army Ammunition Plant. The conspiracy to defraud the government was formed in 1989 and continued through 1993.

"Those who conspire to corrupt the procurement functions essential to our country's defense should expect to face criminal charges," said Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "The investigation is continuing."

The Department said that Torrans and certain employees of Martin Marietta Ordnance Systems Inc.--the prime contractor that operated the Milan Army Ammunition Plant for the U.S. Army--devised a scheme to assure that Commercial Box and Lumber Company Inc. would receive subcontracts to produce boxes and other supplies used at the ammunition plant in exchange for the payment of kickbacks to certain Martin Marietta Ordnance Systems employees.

Torrans also is charged with mail fraud for using the U.S. Mail as an integral part of the scheme.

Klein said that the charges arose in connection with an investigation in Jackson, Tennessee into procurement practices at the Milan Army Ammunition Plant.

The case was conducted jointly by the Antitrust Division's Atlanta Field Office, the U.S. Attorney's Office for the Western District of Tennessee, the U.S. Army's Criminal Investigation Division, the Defense Investigative Service, the Defense Criminal Investigative Service, the Federal Bureau of Investigation, and the Criminal Investigation Division of the Internal Revenue Service.

The maximum penalty for an individual convicted of procurement or mail fraud is a period of incarceration of five

years and the greatest of a fine of \$250,000, twice the gross pecuniary gain derived from the crime, or twice the gross pecuniary loss caused to the victims of the crime.

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